

2020

FINANCIAL ACCOUNTING-III (Honours)

Paper Code : 3CH1 : XII - A & B

[New Syllabus]

Full Marks : 100

Time : Four Hours

Important Instructions for Multiple Choice Question (MCQ)

- Write Subject Name and Code, Registration number, Session and Roll number in the space provided on the Answer Script.

Example : Such as for Paper III-A (MCQ) and III-B (Descriptive).

Subject Code :

III	A	&	B
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Subject Name :

- Candidates are required to attempt all questions (MCQ). Below each question, four alternatives are given [i.e. (A), (B), (C), (D)]. Only one of these alternatives is 'CORRECT' answer. The candidate has to write the Correct Alternative [i.e. (A)/(B)/(C)/(D)] against each Question No. in the Answer Script.

Example — If alternative A of 1 is correct, then write :

1. — A

- There is no negative marking for wrong answer.

মাল্টিপল চয়েস প্রশ্নের (MCQ) জন্য জরুরী নির্দেশাবলী

- উত্তরপত্রে নির্দেশিত স্থানে বিষয়ের (Subject) নাম এবং কোড, রেজিস্ট্রেশন নম্বর, সেশন এবং রোল নম্বর লিখতে হবে।

উদাহরণ — যেমন Paper III-A (MCQ) এবং III-B (Descriptive)।

Subject Code : III A & B

Subject Name :

- পরীক্ষার্থীদের সবগুলি প্রশ্নের (MCQ) উত্তর দিতে হবে। প্রতিটি প্রশ্নে চারটি করে সম্ভাব্য উত্তর, যথাক্রমে (A), (B), (C) এবং (D) করে দেওয়া আছে। পরীক্ষার্থীকে তার উত্তরের স্বপক্ষে (A) / (B) / (C) / (D) সঠিক বিকল্পটিকে প্রশ্ন নম্বর উল্লেখসহ উত্তরপত্রে লিখতে হবে।

উদাহরণ — যদি 1 নম্বর প্রশ্নের সঠিক উত্তর A হয় তবে লিখতে হবে :

1. — A

- ভুল উত্তরের জন্য কোন নেগেটিভ মার্কিং নেই।

Turn Over

Paper Code : 3CH1 : XII-A

Full Marks : 20

Time : Thirty Minutes

Choose the correct answer.

Each question carries 2 marks.

1. Intrinsic value method is used for
 - (a) Valuation of goodwill
 - (b) Valuation of shares
 - (c) Valuation of firm
 - (d) Valuation of closing stock
2. The ratio relating to solvency and liquidity position of a company is known as:
 - (a) Current ratio
 - (b) Operating ratio
 - (c) Debtor's turnover ratio
 - (d) Net profit ratio.
3. increase working capital
 - (a) Purchase of fixed assets
 - (b) Payment of dividend
 - (c) Purchase of non-current assets
 - (d) Sale of fixed assets.
4. Cum-interest or Cum-dividend is related with
 - (a) Cash Flow statement
 - (b) Holding company
 - (c) Absorption of companies
 - (d) Investment accounts.

Turn Over

5. Funds flow statement is prepared
- (a) on cash basis
 - (b) for short-term planning
 - (c) on accrual basis
 - (d) on matching principle
6. The assets that can be converted into cash within a short period (i.e. 1 year or less) are known as
- (a) Current assets
 - (b) Fixed assets
 - (c) Intangible assets
 - (d) Investments
7. A higher inventory turnover ratio indicates
- (a) Better inventory management
 - (b) Quicker turnover
 - (c) Both a and b
 - (d) None of the above
8. Which is called as Dividend Ratio Method?
- (a) Dividend Yield Method
 - (b) Debt Equity Method
 - (c) Asset Method
 - (d) Equity Method
9. A holding company is best defined as one which
- (a) Holds most of the net assets of another company
 - (b) Holds most of the shares in another company
 - (c) Holds both shares and debentures in another company
 - (d) Holds the reserves of another company on behalf of another company

Turn Over

10. The main source(s) of Generally Accepted Accounting Principles (GAAP) is/are :

- (a) Company Law
- (b) Accounting standards
- (c) Conventions
- (d) None of these

Turn Over

2020

FINANCIAL ACCOUNTING-III (Honours)

Paper Code : 3CH1 - XII-B

[New Syllabus]

Full Marks : 80

Time : Three Hours Thirty Minutes

The figures in the margin indicate full marks.

(Answer to be completed preferably within fifteen (A4 size) pages
and use of calculator is permissible)

Answer any *five* questions.

16×5=80

1. What do you mean by Investment Account? Describe the best method of keeping investment account. 6+10=16

2. Mr. Roy furnishes the details of his holding in 6% Govt. Bonds.

1.4.2019 Opening balance: Face Value Rs. 60,000; Cost Rs. 59,000.

1.6.2019 Purchased 100 units ex-interest at Rs.98.

1.10.2019 Sold 200 units ex-interest at Rs.100.

1.1.2020 Purchased 50 units at Rs. 98 cum-interest.

1.2.2020 Sold 200 units ex-interest at Rs. 99.

Mr. Roy closes his books every March 31st and interest dates are June 30th and Dec. 31st. Show the Investment Account in the Books of Mr. Roy valuing the securities on FIFO basis.

3. (a) In the light of AS-14 :

(i) Define 'Amalgamation in the nature of merger'.

(ii) Define purchase consideration.

(iii) State the basic difference between 'Absorption' and 'Amalgamation'.

- (b) Distinguish between pooling of interest method and purchase method of accounting for Amalgamation. (3+3+4)+6=16

Turn Over

4. (a) What do you understand by Internal Reconstruction of a company ? State the usual entries that are to be made in the books of such a company.
(b) State the legal provisions in respect of the Internal Reconstruction of a company. (4+4)+8 =16
5. (a) Name different methods of estimating the value Goodwill.
(b) Enumerate the factors to be considered in valuing Goodwill.
(c) Discuss the various methods of valuation of Shares. 5+5+6=16
6. The following is the Balance Sheet of X Co. Ltd. as on 31.12.2019 :

Liabilities	Rs.	Assets	Rs.
Share Capital :		Goodwill	50,000
Equity Shares of Rs.10 each	1,00,000	Building	1,50,000
12% Pref. Shares of Rs. 100 each	1,00,000	Plant	1,00,000
General Reserve	60,000	Investment in 10% stock	48,000
Profit and Loss A/c	40,000	(market value of Rs. 52,000, Nominal value Rs. 50,000)	
15% Debentures	1,00,000	Stock	60,000
Creditors	80,000	Debtors	40,000
		Cash	10,000
		Preliminary Expenses	22,000
	4,80,000		4,80,000

Ascertain the value of each equity share under Fair Value Method on the basis of the information given below :

- (i) Assets are revalued as: Building Rs. 3,20,000; Plant Rs. 1,80,000; Stock Rs. 45,000 and Debtors Rs.36,000;
- (ii) Average profit of the company is Rs.1,20,000 and 12.5% of profit is usually transferred to General Reserve;

Turn Over

- (iii) Rate of taxation is 50%;
- (iv) Normal dividend expected on equity shares is 8% whereas fair return on capital employed is 10% and
- (v) Goodwill may be valued at 3 years' purchase of super-profit. 16
7. (a) Define 'Holding Company' and 'Subsidiary Company'.
(b) What is a 'Consolidated Balance Sheet' and how is it prepared ?
5+(3+7)=16
8. (a) What do you mean by Inflation Accounting ? What are the merits and demerits of Inflation Accounting ?
(b) What are the limitations of Historical Accounting during inflation?(3+5)+8=16
9. (a) What do you understand by 'Financial Statement Analysis'? State its objectives.
(b) Explain various methods available for 'Financial Statement Analysis'.
(3+5)+8=16
10. (a) What do you mean by 'Funds from Operations'? Explain the procedure to be followed for preparing a Fund Flow Statement.
(b) What is Cash Flow Statement ? How Cash Flow Statement differs from Fund Flow Statement ?
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2020

**BUSINESS ECONOMICS AND
QUANTITATIVE TECHNIQUES (Honours)**

**Paper Code : 3CH1 : XII-A & B
[Revised New Syllabus]**

Full Marks : 100

Time : Four Hours

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1. — A

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উদাহরণ — যেমন Paper III-A (MCQ) এবং III-B (Descriptive)।

Subject Code :

III	A	&	B
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Subject Name :

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- ভুল উত্তরের জন্য কোন নেগেটিভ মার্কিং নেই।

Turn Over

Paper Code : 3CH1 : XII-A

Full Marks : 20

Time : Thirty Minutes

Choose the correct answer.

Each question carries 2 marks.

1. If the cross elasticity of one commodity for another turns out to be zero, means they are —
 - (A) Close substitutes
 - (B) Good complements
 - (C) Completely unrelated
 - (D) Normal commodities
2. A consumer reaches equilibrium at the point where
 - (A) $MU=P$
 - (B) $MU<P$
 - (C) $MU>P$
 - (D) $TU=P$
3. An isoquant for perfect substitute factors of production would be —
 - (A) Right angled shaped
 - (B) Negatively sloped straight line
 - (C) Straight line parallel to x-axis
 - (D) Straight line parallel to y-axis
4. When the demand curve is elastic MR is —
 - (A) Negative
 - (B) Positive
 - (C) Neither positive nor positive
 - (D) Unity

Turn Over

5. The average profit is the difference between the
- (A) AC and TC
 - (B) AC and VC
 - (C) AC and AR
 - (D) AC and TR
6. The total area under the demand curve of a good, measures —
- (A) Marginal utility
 - (B) Total utility
 - (C) Consumer's surplus
 - (D) Producer's surplus
7. The function $\frac{1}{x-1}$ is discontinuous at
- (A) 0
 - (B) 2
 - (C) -1
 - (D) 1
8. The derivative of the function $y = (2x + 5)^4$, with respect to x , is
- (A) $4(x+5)$
 - (B) $8(2x+5)^3$
 - (C) $8(2x+ 5)$
 - (D) $4(2x+5)^3$

Turn Over

9. The integration of the function $(2x+3)^4 dx$, with respect to x , is —

- (A) $(2x+5)^5$
- (B) $(2x+3)^5$
- (C) $10(2x+3)^3$
- (D) $1/10(2x+3)^5$

10. The expanded value of the determinant

$$\begin{vmatrix} 3 & 4 & 7 \\ 2 & 1 & 3 \\ -5 & 1 & 2 \end{vmatrix}$$

With reference to the first column is —

- (A) -30
 - (B) 30
 - (C) -40
 - (D) 40
-

Turn Over

2020

**BUSINESS ECONOMICS AND
QUANTITATIVE TECHNIQUES (Honours)**

**Paper Code : 3CH1 : XII-B
[Revised New Syllabus]**

Full Marks : 80

Time : Three Hours Thirty Minutes

The figures in the margin indicate full marks.

(Answer to be completed preferably within fifteen (A4 size) pages
and use of calculator is permissible)

Answer any five questions from the following :

16×5=80

1. (a) Why the demand curve slopes downward to the right ? Under what circumstances a demand curve slopes upward to the right ?
(b) Explain how the demand for a commodity is affected by (i) Change in the price of the other commodity (ii) Change in the income of the consumer.

5+3+4+4

2. (a) Define linear programming. Explain how linear programming helps in business decision making.
(b) Solve the following LPP either by graphical method or by simplex method:

$$\text{Maximize } Z = 3x + 2y$$

$$\text{Subject to } x - y \leq 1$$

$$x + y \geq 3$$

$$x, y \geq 0$$

2+4+10

3. What is product differentiation? Explain how market equilibrium is established under Monopolistic Competition in the short run and in the long run.
4. What do you mean by Business Cycle? Explain its different phases. Explain how monetary changes affect Business Cycles?

4+6+6

4+6+6

Turn Over

5. (a) Show that $f(x) = \frac{x^2 - 4}{x - 2}$ is undefined for $x = 2$
- (b) Find the domain of the function $f(x) = \sqrt{4 + 4x - 3x^2}$
- (c) Draw the graph of the function $f(x) = 2x^2 + x - 1$ 4+4+8
6. Evaluate :
- (a) $\lim_{x \rightarrow 4} \left[\frac{1}{x+4} + \frac{8}{x^2 - 4} \right]$
- (b) Is the function $f(x) = \frac{x^3 - 8}{x - 2}$ continuous at $x = 2$? If not what value must be assigned to $f(2)$ to make $f(x)$ continuous at $x = 2$. 8+4+4
7. Differentiate the following w.r.t x
- (a) $\frac{x^2}{\log x}$
- (b) $\frac{2x^2 + 3}{\sqrt{x}}$
- (c) Find $\frac{dy}{dx}$ if $y = (2x - 5)^6$
- (d) The total revenue from sale of x is given by the equation $R = 100q - 2q^2$, calculate the point elasticity of demand when Marginal revenue is 20. 4+4+4+4
8. Integrate the following : 4+4+8
- (a) $\int (2x^{-3} + x^2) dx$ (b) $\int (x + \sqrt{x})^2 dx$
- (c) $\int \frac{x}{2x^4 - 3x^2 - 2} dx$

Turn Over

9. Find the adjoint determinant of the following determinant Δ and show $\text{adj.}\Delta = \Delta^2$.

Also find $\text{Rec.}\Delta$.

8+4+4

$$\Delta = \begin{vmatrix} 1 & 2 & 3 \\ 2 & 3 & 4 \\ 3 & 4 & 1 \end{vmatrix}$$

10. (a) If $A = \begin{pmatrix} 2 & 4 \\ 5 & 6 \end{pmatrix}$ and $B = \begin{pmatrix} 3 & 9 \\ 5 & 6 \end{pmatrix}$ find the matrix X such that

$3A + 4B - 2X = 0$, X is a square matrix of order 2×2 .

(b) Solve the following system of equations by matrix method :

8+8

$$2x + 4y + z = 5$$

$$2(x + y + z) = 12$$

$$2x + 3y + z = 6$$